

International Arbitration

2019

Fifth Edition

Contributing Editor:

Joe Tirado

CONTENTS

| Preface | Joe Tirado, Garrigues UK LLP | |
|------------------------|---|-----|
| General chapter | In parallel with UNCITRAL | |
| | Zhang Mei & Xu Beibei, King & Wood Mallesons | 1 |
| Country chapters | | |
| Andorra | Miguel Cases, Cases & Lacambra | 10 |
| Angola | Nuno Albuquerque, Conceição Manita Ferreira & Luísa Castro Ferreira, | |
| J | N-Advogados & CM Advogados | 20 |
| Austria | Dr Christian W. Konrad & Franziska Mensdorff-Pouilly, Konrad Partners | 31 |
| Brazil | Fernando Eduardo Serec, Antônio Marzagao Barbuto Neto & | |
| | Lucas Britto Mejias, TozziniFreire Advogados | 41 |
| British Virgin Islands | Andrew Pullinger, Matthew Freeman & Charlotte Walker, Campbells | 49 |
| Canada | Julie Rosenthal, Brad Halfin & Tamryn Jacobson, Goodmans LLP | 62 |
| Cayman Islands | Andrew Pullinger & Shaun Tracey, Campbells | 83 |
| China | Ning Fei, Shengchang Wang & Jing Liu, Hui Zhong Law Firm | 95 |
| England & Wales | Joe Tirado, Garrigues UK LLP | 109 |
| Finland | Markus Kokko & Vilma Markkola, Borenius Attorneys Ltd. | 128 |
| France | Christophe Dugué, Avocat au Barreau de Paris | 136 |
| Germany | Catrice Gayer & Thomas Weimann, Herbert Smith Freehills Germany LLP | 154 |
| Hong Kong | Barbara Chiu & Crystal Luk, King & Wood Mallesons | 169 |
| Hungary | Zoltán Faludi, Artúr Tamási & Enikő Lukács, | |
| | Wolf Theiss Faludi Erős Attorneys-at-Law | 177 |
| India | Ganesh Chandru & Prashant Kumar, Lakshmikumaran & Sridharan | 187 |
| Ireland | Kevin Kelly & Heather Mahon, McCann FitzGerald | 206 |
| Italy | Micael Montinari & Filippo Frigerio, Portolano Cavallo | 216 |
| Japan | Yuko Kanamaru & Yoshinori Tatsuno, Mori Hamada & Matsumoto | 226 |
| Kenya | Collins Namachanja, Namachanja & Mbugua Advocates | 235 |
| Kosovo | Dr Christian W. Konrad, Konrad Partners & Virtyt Ibrahimaga | 242 |
| Liechtenstein | Dr Manuel Walser, Walser Attorneys at Law Ltd. | 252 |
| Malaysia | Gan Khong Aik, Foo Joon Liang & Kang Mei Yee, Gan Partnership | 265 |
| Morocco | Amin Hajji, Hajji & Associés - Avocats | 276 |
| Netherlands | Richard Woutering & Ingmar Wassenaar, Lemstra Van der Korst | 286 |
| North Macedonia | Kristina Kragujevska, Konrad Partners | 295 |
| Norway | Erlend Haaskjold, Arntzen de Besche Advokatfirma AS | 302 |
| Oman | Omar Al Hashmi & Syed Faizy, Al Hashmi Law | 308 |
| Portugal | Nuno Albuquerque, Luís Paulo Silva & Maria Amélia Mesquita, | |
| | N-Advogados & CM Advogados | 316 |
| Russia | Sergey Kovalev, Sergey Kislov & Evgeny Lidzhiev, | |
| | Kovalev, Tugushi & Partners | 327 |
| Singapore | Margaret Joan Ling, Allen & Gledhill LLP | 338 |
| Spain | Luis Cordón Procter & Diana del Moral Bernal, Cases & Lacambra | 345 |
| Sweden | Pontus Scherp & Fredrik Norburg, Norburg & Scherp Advokatbyrå AB | 358 |
| Switzerland | Michael Bösch, Patrick Rohn & Simon Hohler, | |
| | Thouvenin Rechtsanwälte KLG | 369 |
| UAE | Daniel Brawn & Maria Palmou, Galadari Advocates & Legal Consultants | 379 |
| USA | Martin Jackson, Sam Choi & Daniel R. Perez, Sidley Austin LLP | 388 |
| Zambia | Joseph Alexander Jalasi, Eric Suwilanji Silwamba & Lubinda Linyama, | |
| | Eric Silwamba, Jalasi and Linyama Legal Practitioners | 400 |

Switzerland

Michael Bösch, Patrick Rohn & Simon Hohler Thouvenin Rechtsanwälte KLG

Introduction

For more than a century, Switzerland has been one of the preferred venues for hosting international arbitrations. Switzerland's arbitration-friendly approach, political neutrality, well-developed legal system, sophisticated arbitration community, geographically convenient location, excellent infrastructure as well as openness of mind to different values, cultures and perceptions continue to make it a leading place for arbitrating international disputes.

International arbitrations in Switzerland are governed by Chapter 12 of the Swiss Private International Law Act ("PILA") provided that: (i) the seat of the arbitral tribunal is in Switzerland; (ii) at least one of the parties to the arbitration had neither its domicile nor its habitual residence in Switzerland at the time of the conclusion of the arbitration agreement; and (iii) the parties did not exclude the application of Chapter 12 PILA, and agree on the application of the third part of the Swiss Code of Civil Procedure (which contains the rules for domestic arbitration proceedings) by making an express declaration in the arbitration agreement or in a subsequent agreement (article 176 PILA). Chapter 12 PILA, the *lex arbitri* for international arbitrations in Switzerland, is hereinafter also referred to as "Swiss Arbitration Law". An unofficial English version is available at: swissarbitration.org/Arbitration-Rules-and-Laws.

The Swiss Arbitration Law – which is not based on the UNCITRAL Model Law (but there are no fundamental differences) – gives paramount importance to party autonomy for most issues and, in the absence of an agreement between the parties, allows for wide discretion of the arbitral tribunal. The Swiss Arbitration Law is currently under revision (see last chapter for further information on the revision).

Switzerland is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 ("New York Convention"). As Switzerland withdrew its reciprocity reservation in 1993, also the recognition and enforcement of awards rendered by an arbitral tribunal seated in a non-member state of the New York Convention is governed by the New York Convention.

There are different arbitration and arbitration-related institutions active in Switzerland. The Swiss Chambers' Arbitration Institution ("SCAI") is an arbitration institution which was formed by six major chambers of commerce (Zurich, Geneva, Basel, Berne, Ticino and Vaud) and administers arbitrations under the Swiss Rules of International Arbitration ("Swiss Rules"). The Swiss Rules, initially adopted in 2004, were based on the UNCITRAL Arbitration Rules, to which changes and additions necessary for institutional arbitrations, as well as to reflect modern practice and comparative law in international arbitration, have been made. The Swiss Rules were revised and modernised in 2012.

A remarkable feature of the Swiss Rules is that the arbitral tribunal has jurisdiction to hear a set-off defence even if the relationship out of which the defence is said to arise is not within the scope of the arbitration clause, or falls within the scope of another arbitration agreement or forum-selection clause (article 21(5) Swiss Rules). If the amount in dispute does not exceed CHF 1 million, the Swiss Rules foresee an expedited procedure where the award shall be rendered within six months from the date on which the file was transmitted to the arbitral tribunal by SCAI (article 42 Swiss Rules). Of course, the parties may also agree on the application of the expedited procedure rules in the event of a larger amount in dispute.

Another important arbitration institution in Switzerland is the Court of Arbitration for Sport ("CAS") in Lausanne. The CAS provides for services in order to facilitate the settlement of sports-related disputes through arbitration and mediation by means of procedural rules adapted to the specific needs of the sports world. CAS arbitrations are governed by the Code of Sports-related Arbitration (CAS Code).

The Arbitration and Mediation Centre of the World Intellectual Property Organisation (WIPO), based in Geneva, offers alternative dispute resolution options for the resolution of international commercial disputes between private parties, in particular regarding IP, technology and domain name disputes.

Arbitration agreement

In terms of form, an arbitration agreement is valid if it is made in writing, by telegram, telex, telefax or any other means of communication (including email) which permits it to be evidenced by text (article 178(1) PILA). The arbitration agreement can also be contained in by-laws of a company or in general terms and conditions. Even an exchange of drafts containing an arbitration clause during contract negotiations may suffice to fulfil the form requirement.

In terms of substance, the arbitration agreement is valid if it conforms either to the law chosen by the parties (specifically to govern the arbitration agreement), or to the law governing the subject matter of the dispute, in particular the law governing the main contract, or to Swiss law (article 178(2) PILA; principle of *favor validitatis*).

Under Swiss Arbitration Law, any disputes involving an economic interest may be the subject matter of an arbitration (article 177(1) PILA). Accordingly, all claims with a financial value for one of the parties are, in principle, arbitrable. Therefore, also disputes regarding intellectual property rights, annulment of decisions of corporations or associations, competition law, etc., are arbitrable.

Swiss Arbitration Law recognises the doctrine of separability (principle of autonomy of the arbitration clause or doctrine of severability) by stating that the arbitration agreement cannot be contested on the ground that the main contract is not valid (article 178(3) PILA). Accordingly, the main contract and the arbitration agreement are treated as two separate contracts, and the invalidity of the main contract does not in and of itself trigger the invalidity of the arbitration agreement and *vice versa*.

The arbitral tribunal shall itself decide on its jurisdiction (article 186(1) PILA; principle of competence-competence). It shall decide on its jurisdiction notwithstanding any potential action on the same matter between the same parties already pending before a state court or another arbitral tribunal, unless there are serious reasons to stay the proceedings (article 186(1bis) PILA).

In principle, the arbitral tribunal is only obliged to examine its own jurisdiction if a party

has raised an objection in this regard. Such a plea of lack of jurisdiction must be raised prior to any defence on the merits (article 186(2) PILA).

The arbitration agreement is a contract and as such, in accordance with the principle of "privity of contract", can only produce its effects *inter partes*, i.e. between the contracting parties. It follows that, as a matter of principle, third parties are neither bound by an arbitration agreement nor can they rely thereon. This general rule is subject to a number of exceptions. Case law and legal doctrine have identified several situations where an arbitration agreement can be "extended" to a non-signatory under Swiss law, e.g.:

- Succession, assignment or other forms of transfer: Under Swiss law, an arbitration
 agreement may be transferred by way of assignment, succession, subrogation as well
 as in case of insolvency.
- *Valid representation*: According to Swiss law on agency and representation, a party can be bound by an arbitration clause formally entered into by another person.
- *Implied consent*: An arbitration agreement can be extended to a non-signatory if the latter has participated in the conclusion or performance of the contract containing the arbitration agreement, and its intent to be bound by the arbitration agreement can be inferred from that participation.
- *Piercing of corporate veil*: While the legal independence existing between a corporate body and its shareholders has to be respected and is usually enforced under Swiss law, exceptional circumstances may allow to disregard the legal independence and to "pierce the corporate veil" in order to apply an arbitration clause to a non-signatory party (i.e. the shareholder/parent company). To that effect, the party requesting the extension of the arbitration clause must establish that the company which signed the arbitration clause was used by its shareholder to hide behind the separate legal entity and that such behaviour constitutes an evident abuse of right.
- Third-party beneficiary contract: In case of a so-called genuine contract in favour of a third party, i.e. a contract in which the parties confer a right on a third party (the beneficiary), and that third party has an own independent right to compel performance of the contract, this third party can actively rely on the arbitration clause in the contract in order to bring its own claim against the contracting party.

The so-called "group of companies doctrine" does not apply in Switzerland, i.e. the existence of a group of companies does not automatically result in a binding effect of the arbitration agreement on non-signatory companies of that group.

Arbitration procedure

The parties may, directly or by reference to rules of an arbitral institution, determine the arbitral procedure; they may also submit the arbitration procedure to a procedural law of their choice (article 182(1) PILA). If the parties have not determined the procedure, the arbitral tribunal shall determine it to the extent necessary (article 183(2) PILA). Regardless of the procedure chosen, the arbitral has to ensure the equal treatment of the parties and their right to be heard in adversarial proceedings (article 182(3) PILA).

Swiss law does not stipulate how proceedings have to be initiated. In the absence of an agreement in this regard, the claimant can start the proceeding by appointing its party-appointed arbitrator and request the respondent to do the same. If need be, assistance from a state court is available for constitution of the arbitral tribunal.

If the place of arbitration has not been determined by the parties or by the arbitral institution,

it shall be fixed by the arbitral tribunal (article 176(3) PILA). Also, the language shall be determined by the arbitral tribunal failing an agreement of the parties.

The arbitral tribunal shall itself conduct the taking of evidence (article 184 PILA). The parties may agree on the procedural rules that the arbitral tribunal shall follow for the taking of evidence, directly or indirectly by reference to arbitration rules. Otherwise, the arbitral tribunal has wide discretion in this regard. Often, arbitral tribunals seek guidance in, but will not see themselves bound by, the IBA Rules on the Taking of Evidence in International Arbitration. Accordingly, it is common that the parties are requested to file written witness statements and that counsel will examine the witnesses in the hearing. That said, there is usually also no US-style discovery, but the parties may request the production of specific documents which are relevant to the case and material to its outcome, not in the requesting party's possession but likely in the counter party's possession or under its control. How the recently adopted Prague Rules (Rules on the Efficient Conduct of Proceedings in International Arbitration) will come into play in arbitration in Switzerland remains to be seen.

While the right to be heard includes the right to submit evidence and to request appropriate evidence-taking measures, an arbitral tribunal is allowed to refrain from assessing pieces of evidence presented by a party if the presented evidence is unfit to support the alleged fact, or if the fact to be proven by this piece of evidence is already sufficiently established by other evidence and the arbitral tribunal concludes that the additional evidence would not change its assessment. This so-called "right to an anticipatory assessment of evidence" has just recently been confirmed by the Swiss Federal Supreme Court (Decision 4A_550/2017 of 1 October 2018 as well as Decision 4A 65/2018 of 11 December 2018).

While hearings are usually held in practice, Swiss Arbitration Law does not require this. The hearing usually includes opening statements as well as witness and expert examinations. Closing statements are frequently replaced with post-hearing briefs filed after the hearing.

If the assistance of a state court is necessary for the taking of evidence, the arbitral tribunal, or a party with the consent of the arbitral tribunal, may request the assistance of the state court at the seat of the arbitral tribunal (article 184(2) PILA). The court at the place of arbitration also has jurisdiction for any further judicial assistance (article 185 PILA). In practice, interventions of Swiss courts are very rare. Procedural orders made by an arbitral tribunal cannot be challenged before Swiss courts.

The principle of *iura novit curia* or *iura novit arbiter* applies in international arbitrations in Switzerland. Therefore, the arbitral tribunal is deemed to know the law, must apply it *ex officio* and, as consequence, the parties do not have to prove the law. Arbitrators are also not limited by the legal submissions of the parties and can apply other legal provisions or principles for their decision. However, in case the arbitral tribunal intends to base its decision on legal provisions/principles that were not addressed during the proceedings and their relevance was not foreseeable by the parties, the arbitral tribunal must give the parties the opportunity to present their position on these legal issues. Otherwise, such surprise might constitute a violation of the right to be heard (see Decision 4A_525/2017 of 9 August 2018).

Swiss Arbitration Law is silent on the issue of confidentiality. While arbitrations in Switzerland are considered to be private and not open to the public, it is not settled yet whether and to what extent arbitration proceedings are confidential. Under the Swiss Rules, the parties, arbitrators, tribunal-appointed experts, the secretary of the arbitral tribunal and the SCAI undertake to keep confidential all awards and orders as well as all materials submitted by another party in the framework of the arbitral proceedings (article 44 Swiss Rules).

Arbitrators

There are no restrictions under Swiss Arbitration Law as to who may act as an arbitrator. The arbitrator must be (and remain throughout the proceedings) independent and impartial and should meet the qualifications agreed upon by the parties (article 180(1) PILA).

If the parties have not agreed on the number of arbitrators, the arbitral tribunal shall consist of three members. If expedited proceedings under the Swiss Rules apply, generally only one person will sit as arbitrator.

The arbitrators are to be appointed in accordance with the agreement of the parties (article 179(1) PILA), be it directly as per the arbitration agreement or by way of reference to an institutional rule containing provisions on the appointment of the arbitrator(s). Absent such an agreement, the court at the place of arbitration has jurisdiction to appoint arbitrators (article 179(2) PILA) unless a summary examination shows that no arbitration agreement exists between the parties (article 179(3) PILA).

An arbitrator may only be challenged if she or he does not meet the qualifications agreed by the parties, if the rules of arbitration agreed by the parties provide for a ground for challenge, or if circumstances exist that give rise to justifiable doubt as to her or his independence or impartiality (article 180(1) PILA). A person asked to take the office of an arbitrator must disclose any circumstances that might raise reasonable doubts about her or his independence or impartiality. This duty continues throughout the proceedings.

Any ground for challenge must be notified to the arbitral tribunal and the other party without delay (article 180(2) PILA). The failure to timely challenge the arbitrator will result in the forfeiture of the right to challenge the arbitrator.

Absent an agreement of the parties to the contrary, the court at the place of arbitration has jurisdiction to decide challenges of arbitrators (article 180(3) PILA). The decision of the court is final and cannot be appealed. In case the parties designated an authority for the decision on the challenge of an arbitrator (usually by way of reference to institutional rules), the designated authority's decision is final in the sense that it cannot be appealed directly. However, such decision can be challenged indirectly in setting aside proceedings arguing an improper constitution of the arbitral tribunal.

Even though the IBA Guidelines on Conflicts of Interest in International Arbitration are not binding, unless agreed by the parties, these rules play an increasing role in practice. The Swiss Federal Supreme Court even qualified these guidelines in one of its decisions as a "valuable working tool" and relied on the guideline's "green list" to hold that the situation in question did not affect the challenged arbitrator's independence or impartiality.

Swiss Arbitration Law is silent on the issue of immunity of arbitrators from liability. According to the majority view of legal doctrine, arbitrators may only be held liable in case of wilful intent or gross negligence. Swiss Rules stipulate an exclusion of the arbitrators' liability except if the act or omission is shown to constitute intentional wrongdoing or gross negligence (article 45 Swiss Rules).

Interim relief

Unless the parties have agreed otherwise, the arbitral tribunal as well as the state courts have a concurring jurisdiction to order provisional or conservatory measures.

Swiss Arbitration Law currently contains no express regulation of emergency arbitrator proceedings, i.e. the proceedings for interim relief prior to the constitution of the arbitral

tribunal. Under the Swiss Rules, urgent interim relief can be requested from an emergency arbitrator unless the parties have agreed otherwise (article 43 Swiss Rules).

Swiss Arbitration Law does not contain a specific list of interim measures which may be ordered by an arbitral tribunal. It is the prevailing view that arbitral tribunals are not limited to the interim measures available under the *lex fori* of Swiss state courts. Arbitral tribunals have wide discretion as to the contents of provisional measures. While there has been a debate as to which measures can be granted with regard to the securing of monetary claims, the current understanding seems to be that monetary claims can be secured in a variety of forms, including freezing orders (*ad personam*), deposits of money in escrow, interim payment orders, etc. However, the attachment of assets (*ad rem*) as foreseen in the Swiss Debt Enforcement and Bankruptcy Act is considered not to fall within the authority of an arbitral tribunal.

Security for costs, i.e. security for the future claim for reimbursement of the costs incurred in the arbitration, constitutes an interim measure in the sense of article 183(1) PILA and can be requested from an arbitral tribunal, under specific circumstances also in the form of an (enforceable) award.

It is controversial in Swiss legal doctrine whether anti-suit or anti-arbitration injunctions may be ordered by the arbitral tribunal.

If a party does not voluntarily comply with the provisional measures ordered by the arbitral tribunal, the arbitral tribunal may seek the assistance of the state court (article 183(2) PILA). It is controversial whether private sanctions for non-compliance, in particular penalties or "astreintes", can be imposed by the arbitral tribunal in case of failure to comply with the ordered interim measures, especially where there is no respective agreement among the parties. It is the prevailing view that the order of interim measures of an arbitral tribunal cannot be combined with a threat of public-law or criminal-law sanctions in case of non-compliance, in particular according to article 292 Swiss Criminal Code.

Award

The award has to be rendered in conformity with the rules of procedure and in the form agreed by the parties. In the absence of such an agreement, the arbitral award shall be rendered by a majority or, in the absence of a majority, by the chairperson alone (article 189 PILA).

The award has to be in writing, supported by reasons, dated and signed. The signature of the chairperson is sufficient (article 189 PILA). The parties may agree that no reasons are to be given.

Swiss Arbitration Law does not stipulate any time limit for the rendering of the award. The Swiss Rules only stipulate a time limit for the rendering of the award in expedited proceedings, in which the award shall be made within six months from the date on which the SCAI secretariat transmitted the file to the arbitral tribunal (article 42(1)(d) Swiss Rules).

Swiss Arbitration Law is silent on the allocation and recovery of arbitration costs. Absent any agreement of the parties, the arbitral tribunal has a wide discretion in this regard. In general, arbitral tribunals tend to follow the principle of "costs follow the event".

Interest is a substantive law issue under Swiss law. If Swiss law is the law applicable to the merits of the case, pre- and post-award interest can be awarded. The interest rate foreseen by Swiss law is 5% per year.

Challenge of the award

Awards can only be challenged before the Swiss Federal Supreme Court and only for the following exhaustive grounds (article 190(2) PILA):

- the sole arbitrator has been improperly appointed or the arbitral tribunal has been incorrectly constituted;
- the arbitral tribunal has wrongly assumed or denied jurisdiction;
- the arbitral tribunal has decided beyond claims submitted to it (*ultra petita*) or failed to decide one of the claims submitted to it (*infra petita*);
- the principle of equal treatment of the parties or their right to be heard has been violated;
- the award is incompatible with public policy.

Challenges of an arbitral award must be filed with the Swiss Federal Supreme Court within 30 days from the notification of the arbitral award to the parties. The proceedings are very streamlined and the Swiss Federal Supreme Court renders its decision on average in about seven months from the date of the award.

Unless the applicable regulations do not require the original copy of the award to be sent to the parties, the notification of the award by telefax or email does not trigger the 30-day time limit for challenging the award. In particular, as held by the Swiss Federal Supreme Court in a recent decision, in ICC arbitrations only the serving of the original copy of the award triggers the 30-day time limit for challenging the award; the receipt of the previous courtesy copy by email from the ICC does not cause the said time limit to start running (Decision 4A 40/2018 of 26 September 2018).

Only awards (final or interim awards) can be challenged, not procedural orders. Whether a decision qualifies as award or procedural order depends on its content and not on the labelling by the arbitral tribunal as the former or the latter. In a recent decision, the Swiss Federal Supreme Court confirmed this "substance over form" approach by requalifying a decision of the arbitral tribunal labelled as "procedural order" into an interim award (Decision 4A 136/2018 of 30 April 2018).

Due to the very limited grounds for challenging an award and the arbitration-friendly policy of the Swiss Federal Supreme Court, the success rate in set-aside proceedings is very low. In fact, statistics show that less than 8% of the challenges are successful.

The parties may exclude the possibility to challenge the arbitral award by express statement in the arbitration agreement or a subsequent written agreement provided that none of the parties has its domicile, its habitual residence or place of business in Switzerland (article 192(1) PILA).

While Swiss Arbitration Law is silent in this regard, the Swiss Federal Supreme Court has held that arbitral tribunals may correct or interpret arbitral awards upon request of a party. Such a request for correction or interpretation of the award does not interrupt the time limit for the challenge of the award with the Swiss Federal Supreme Court.

Even though Swiss Arbitration Law also does not contain any provisions on the revision of awards, the Swiss Federal Supreme Court has held that the revision of an award can be requested in case the award has been influenced by a crime or felony to the detriment of the applicant, or in case the applicant has discovered relevant facts or convincing evidence, which the applicant was unable to rely on in the previous proceedings even though they already existed at the time of the rendering of the award.

In a decision in the year 2017, the Swiss Federal Supreme Court has indicated that parties cannot request a revision of an award in case they have validly excluded the possibility to challenge the award (Decision 4A 53/2017 of 17 October 2017).

Enforcement of the award

An award rendered by an arbitral tribunal seated in Switzerland is final and thus enforceable as of its notification.

The recognition and enforcement of foreign arbitral awards in Switzerland is governed by the New York Convention (article 194 PILA), also if the arbitral award was rendered by an arbitral tribunal seated in a non-member state of the New York Convention.

Based on the New York Convention, foreign arbitral awards are recognised and enforced in Switzerland upon an application accompanied by: (i) a duly authenticated original award or a duly certified copy thereof; (ii) an original of the arbitration agreement or a duly certified copy; and (iii) translations of the award and the arbitration agreement, if necessary. Swiss courts tend to avoid a formalistic approach regarding these requirements. Accordingly, where the authenticity of the award or the arbitration agreement is not in dispute, ordinary copies (without legalisation or certification) are sufficient. In addition, the Swiss Federal Supreme Court has held that Swiss courts may dispense with the requirement of translation of the award into an official language of Switzerland if the award is in English.

In Switzerland, the procedure for enforcing arbitral awards varies depending on the relief granted. While arbitral awards granting monetary relief are enforced in debt-collection proceedings in accordance with the Swiss Debt Collection and Bankruptcy Act, arbitral awards granting non-monetary relief (e.g. specific performance or declaratory relief) are enforced in accordance with the provisions in the Swiss Code of Civil Procedure.

Revision of the Swiss Arbitration Law

The Swiss Arbitration Law is currently being revised with the purpose of modernising it and enhancing the attractiveness of Switzerland as a place for international arbitration.

After the release of a preliminary draft in January 2017 and a consultation procedure in which the cantons, political parties, academics, arbitration organisations and practitioners provided feedback on the preliminary draft, the Swiss Federal Council released the draft bill concerning the revised Swiss Arbitration Law in October 2018. As a next step, this draft bill will be discussed in the Swiss Parliament, which will decide whether and to what extent the proposed amendments will be adopted.

Besides correcting certain stylistic inconsistencies, the proposed amendments shall implement the Swiss Federal Supreme Court's jurisprudence, clarify certain open issues and enhance the user-friendliness of Swiss Arbitration Law.

The following proposed amendments are of particular relevance:

- Appointment of arbitrators: In case the parties have not stipulated a seat of the arbitral tribunal or in case they stipulated that the seat is in Switzerland, the state court first seized is competent for the appointment of the arbitrator(s).
- Express provision stipulating the parties' duty to object immediately: It is well
 established case law in Switzerland that a party who considers that its procedural rights
 were violated must raise an objection immediately. A failure to do so results in the
 forfeiture of its rights to complain about that violation at a later stage, e.g. in setting-

aside proceedings. This principle will now be expressly stipulated in article 182(4) PILA.

- Assistance of Swiss state courts in foreign arbitral proceedings: According to the new
 article 185a PILA, a foreign arbitral tribunal as well as the parties to foreign arbitral
 proceedings can directly address Swiss state courts for assistance in the enforcement of
 interim measures as well as for the taking of evidence, if the interim measures will be
 enforced in Switzerland or if the taking of evidence is to take place in Switzerland,
 respectively.
- Express provision on correction, explanation and amendment of awards as well as revision: The proposed bill will implement express provisions as to the correction, explanation and amendment of awards as well as regarding the revision of awards. Both remedies are in practice already available but are not explicitly stipulated in Chapter 12 PILA.
- Language of written Submissions to the Swiss Federal Supreme Court: The proposed bill foresees that filings in matters of international arbitration with the Swiss Federal Supreme Court may also be made in English. Already today there is no need to file a translation of the challenged award in annulment proceedings, if the award is drafted in English. However, the possibility to file an action for annulment (or the request for revision) directly in English is new. Nevertheless, the decision of the Swiss Federal Supreme Court itself will continue to be issued in one of the official languages only and not in English and the same applies for all procedural orders issued by the Swiss Federal Supreme Court.



Michael Bösch

Tel: +41 44 421 45 45 / Email: m.boesch@thouvenin.com

Michael is particularly specialised in commercial arbitration where he has extensive expertise in national and international arbitrations conducted under the most common rules such as ICC, LCIA and Swiss Rules but also *ad hoc*. In doing so, Michael has acted both as counsel and as arbitrator in more than 35 arbitral proceedings. He also represents clients in litigation. He is co-author of the Thouvenin arbitration newsletter published on www.thouvenin.com, and the global head of the Arbitration and ADR section with Interlaw (www.interlaw.com), one of the world's leading law firm networks.

Who's Who Legal has recognised Michael as a 'Future Leader' in arbitration for several years. Who's Who Legal recognises him as a 'Future Leader' also in litigation, and he is moreover recommended by The Legal 500 for his litigation work.



Patrick Rohn
Tel: +41 44 421 45 45 / Email: p.rohn@thouvenin.com

Patrick specialises in domestic and international commercial litigation and arbitration (including ICC, Swiss Chambers, WIPO), with a particular focus on disputes relating to distribution, licensing, unfair competition and intellectual property. Further, Patrick represents clients in complex contractual, corporate (including post-M&A, joint venture) and insolvency-related disputes up to the Appeal Court and the Federal Supreme Court, and he has considerable expertise related to cross-border asset tracing and recovery, and the enforcement of foreign judgments and arbitral awards. He is recognised by Who's Who Legal and The Legal 500 and is listed by the International Distribution Institute and the Swiss Chambers' Arbitration Institution as an arbitrator with specific experience in the field of distribution (IDArb list of specialised arbitrators).



Simon Hohler

Tel: +41 44 421 45 45 / Email: s.hohler@thouvenin.com

Simon specialises in domestic and international commercial arbitration and state court litigation as well as in enforcement and legal assistance matters. He frequently represents clients in disputes concerning contract and commercial law, construction law, M&A transactions and sport law matters.

Having advised parties, as well as acted as counsel, arbitrator and secretary to arbitral tribunals in numerous institutional arbitrations (e.g. Swiss Chambers, ICC and CAS) and *ad hoc* arbitrations, Simon has extensive expertise in domestic and international arbitration. He has further represented clients in various state court proceedings, including obtaining and defending against interim measures, the freezing of assets as well as the enforcement of judgments. Simon is a co-author of the Thouvenin arbitration newsletter.

Thouvenin Rechtsanwälte KLG

Klausstrasse 33, 8008 Zurich, Switzerland Tel: +41 44 421 45 45 / URL: www.thouvenin.com

www.globallegalinsights.com

Other titles in the **Global Legal Insights** series include:

- AI, Machine Learning & Big Data
- Banking Regulation
- Blockchain & Cryptocurrency Regulation
- Bribery & Corruption
- Cartels
- Commercial Real Estate
- Corporate Tax
- Employment & Labour Law
- Energy
- Fintech
- Initial Public Offerings
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Pricing & Reimbursement

Strategic partner:

